

**BOARD OF COUNTY COMMISSIONERS**

301 South Monroe St.
Tallahassee, Florida 32301
(850) 488-4710

Attachment # 2
Page 1 of 2

Commissioners:

BILL PROCTOR
District 1

JANE SAULS
District 2

DAN WINCHESTER
District 3

TONY GRIPPA
District 4

BOB RACKLEFF
District 5

ED DEPUY
At Large

CLIFF THAELL
At Large

PARWEZ ALAM
County Administrator
(850) 488-9962

HERBERT W.A. THIELE
County Attorney
(850) 487-1008

December 3, 2004

Dear Citizen:

The Leon County Board of County Commissioners feels a deep sense of responsibility to the communities and citizens impacted by the programmed transportation projects scheduled for your areas.

Those projects are Tharpe Street from Ocala Road to Capital Circle NW, Orange Avenue from South Monroe to Blair Stone Road, Buck Lake Road from Mahan Drive to Pedrick Road, Lafayette Street from the railroad overpass to KFC and Mahan Drive from Dempsey Mayo to I-10.

The purpose for this letter is two fold. First, the County Commission wanted the citizens impacted by the projects noted above to know that the Commissioners chose to reprogram the County's Capital Improvement Program (CIP) in a workshop on November 30, 2004. The result of which may have an impact on you. The CIP combines revenue and project scheduling to maintain a funding balance throughout a five year period. The content of this letter explains why certain changes have been proposed.

Second, County Commission decisions made during workshops are not final and must be ratified at a Board of County Commissioners meeting. Decisions made during the November 30, 2004 "Workshop on Transportation CIP and Orange Avenue" will be presented for ratification at the December 14, 2004 County Commission meeting starting at 5:00 PM in the County Commission Chambers of the Leon County Courthouse. The Commissioners encourage anyone wanting to comment on this or any other issue to please attend the meeting and share your comments and concerns.

The County recently learned of a significant financial challenge impacting the above listed projects, the consequence of which is the need to reprogram how planned improvements to these critical transportation facilities will be made. The "significant financial challenge" is a shortfall in the overall revenue needed to complete all these projects, a circumstance created by a dramatic increase in the escalating cost of rights-of-way and construction materials.

Those of us involved in providing needed transportation services know the general public does not understand why our preliminary cost estimates cannot be more accurate. One reason is the amount of time that passes between the completion of the initial corridor study and the preliminary estimate included in the study and the final estimate that comes as part of the bidding process. The length of time can be anywhere from five to ten years or more and during that time property values and construction material costs can escalate greatly.

The Florida Department of Transportation's recent experience with Capital Circle NW is a good example as a means of explaining what the County now faces with their projects. When the Capital Circle NW Corridor Study was complete, current property values yielded a sum of approximately \$5.5 million for acquisition of the needed property to construct the project. However, years later when the project began, rights-of-way acquisition costs had soared to \$50.5 million, a ten fold increase in the anticipated cost.

Recently, County projects have been substantially impacted by the same cost issues cited above. Buck Lake Road, Orange Avenue, Tharpe Street, Magnolia/Lafayette and Mahan Drive have all yielded estimates well excess of what was originally programmed. One example is Orange Avenue. Our available funding is \$16.6 million; however, the project cost now is \$28.7 million, creating a shortfall of \$12.1 million dollars. Existing revenue has already been programmed in Leon County's Capital Improvement Program (CIP) so the only way to accommodate these additional costs is to revise the CIP and delay advancing the progress on one or all of the projects mentioned in the first paragraph.

Attachment #

2

Page

2

of

2

That is the challenge the Board of County Commissioners faced on November 30, 2004 during the "Workshop on Transportation CIP and Orange Avenue." The following table was used during the Workshop to identify and explain the pending shortfall.

Project	Cost to Complete	Available Budget	Budget Shortfall
Buck Lake Road	\$9.8 Million	\$7.0 Million	\$2.8 Million
Orange Avenue	\$28.7 Million	\$16.6 Million	\$12.1 Million
Tharpe Street	\$31.0 Million	\$ 24.9 Million	\$6.1 Million
Lafayette Street	\$4.5 Million	\$4.5 Million	N/A
Mahan Phase II (Advance Funded)	\$16.5 Million	\$13.0 Million	\$3.5 Million
Revenue Shortage	\$1.24 Million	\$0.00 Million	\$1.24 Million
Totals	\$91.74 Million	\$66.0 Million	\$25.74 Million

The options the County Commissioners faced at the November 30th workshop were:

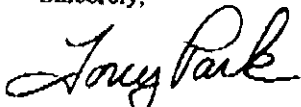
1. Delay the Tharpe Street project and reconsider in future budgets.
2. Delay the Orange Avenue project and reconsider in future budgets.
3. Delay the Lafayette Street and Mahan Phase II projects and reduce the Buck Lake Road project to intersection improvements only.
4. Levy the five cent Local Option Gas Tax.

After lengthy discussion the Board's proposal was to delay progress on Tharpe Street with the provision that Public Works continue on with the design phase of the project so the County is ready to go forward should funds become available. The Board proposed delaying Tharpe Street for the following reasons:

- As the newest of the five projects, less money has been spent to date
- Delaying Tharpe Street creates enough cash flow that no other project needs to be delayed
- From a concurrency perspective, Tharpe Street still has remaining capacity while many of the other roads do not.

The County knows this decision will create concern on the part of many of our citizens. Please call 488-8003 and ask for me, Tony Park, P.E. or Joe Brown, P.E., with your questions and concerns.

Sincerely,



Tony Park, P.E.
Director of Public Works